

MINUTES OF THE GENERAL MEETING OF THE BIGFORK COUNTY WATER AND SEWER DISTRICT

The general meeting of the Bigfork County Water and Sewer District was held on September 9, 2015 at the District office.

ATTENDANCE

Directors: Bob Hand, Gene Helberg, Bob Keenan, Tom Cahill and Seth Price

District Employees: Julie Spencer and Vickie Hemphill

Engineering: Jeff Cicon and Scott Murphy from Morrison Maierle

Other Attendee(s): Randall (Duke) Phelps

President Hand opened the September meeting at 7:00 p.m. The minutes of the August Board Meeting were reviewed for approval. Keenan made a motion to approve, Helberg seconded and it was unanimously

RESOLVED that the minutes for the August 2015 Board Meeting be approved as written.

The minutes from the August 12, 2015 executive session, prepared by Keenan were reviewed. President Hand called for a motion to approve. Cahill made a motion to approve, Price seconded and it was unanimously

RESOLVED that the minutes for the August 2015 Executive Session be approved as written.

PUBLIC COMMENT

Duke Phelps introduced himself to the Board. Phelps, a builder and consultant for over 30 years, understands the benefits and logistics of infrastructure. His specialties include budgets and loan servicing. He and his wife live in Las Vegas and Bigfork, and have owned properties in Montana for 9-10 years. When Julie told him there were two openings on the Board, he went to the election department and completed the paperwork. Because he ran for the seat un-opposed, he will be able to join the Board by acclamation and no election will be required. Keenan explained that President Hand would be leaving the board, so Phelps would be replacing him. There was discussion about the logistics of the transition and the directors will review the timetable for this before the October meeting. Keenan welcomed Phelps, Julie supplied a Board Packet and he was invited to the meeting.

MANAGERS AND OPERATORS REPORTS

Julie presented the Directors Report, water usages and sewage treated and billed. Keenan inquired about the increasing water loss and Julie explained that it was possibly a leak developing and/or loss of accuracy in the old meters. She went over the items on Vickie's report and then reviewed the histories of water loss, sewage billed & treated. Vickie detailed the adjustments and past dues. The directors requested that Julie clarify the financial details as there are so many new members. She began by explaining the enterprise funds of water and sewer required for municipal accounting and the different bank accounts used. The Balance Sheet was discussed further, and she explained the current assets of prepaid insurance costs were JV'd in each month to distribute the cost over the entire budget period. The liabilities were discussed and Director Cahill asked that debt retirement dates be added on reports for a

clearer picture of indebtedness. Questions about the accounts were answered as they arose. The Income Statement was then clarified. The FY2016 budget figures are estimated as they are still not approved; the numbers should be at 17% of budget at the end of August.

Four checks were written between meetings for postage to mail August bills; a check to mail the customer bills, 2 notary transactions for Julie and a shortage on the Charter payable. The claims were then reviewed. M.E. Lab charges were higher because all the wastewater lab work was taken to them. Julie plans to begin doing lab work in house again next week. The truck used with the snowplow required almost \$2,000 worth of repairs, Morrison Maierle billed for engineering on the Eagle Bend lift station upgrades and Water Rights work; Endustra billed for filters, Sensus billed for their annual support contract and other claims were explained as needed.

Andy's report was reviewed. The small Magellan treatment plant that the Brewery installed is not working correctly and has been shut down. The brewery waste has been untreated all summer and Andy provided a spreadsheet to compare nutrient loading to last summer. Julie said that the waste is adversely affecting the District's capacity during the summer; but in the winter, when the plant is starving, it's a good thing. The Board discussed the need to penalize them for the extra loading. Julie said the Brewery could pass the fines along to the manufacturer of their plant as additional loss. Keenan made a motion to form a sub-committee for the Flathead Lake Brewery Pretreatment issues, Cahill seconded and it was unanimously

RESOLVED that a FLB Pretreatment sub-committee be formed to discuss the brewery issues. The committee will include directors Cahill and Price.

President Hand called for a motion to approve the Managers' and Operators' reports, payables and other disbursements. Keenan made a motion, Cahill seconded, and it was unanimously

RESOLVED that the Managers' and Operators' reports, payables and additional disbursements be approved.

OLD BUSINESS

Engineering Report –Jeff Cicon and Scott Murphy with Morrison-Maierle

- *Water System Improvements* – Cicon said that the Board signed a task order to update the Water System Preliminary Engineering Report – or PER – several months ago. He explained that the PER is an agreement between Morrison-Maierle Engineering and the District which looks at the water system to find deficiencies, projects to correct shortcomings, pursuing funding strategies, etc. The District received a planning grant from TSEP to update the Water PER. The grant funds must be matched by the District. The project being looked currently is the second phase of the Water Transmission project, and deals with bringing the new transmission main to a new storage reservoir.
- *Wastewater System Improvements - Eagle Bend Lift Stations* design – Survey work is finished on the North and South lift station and pump selection is in progress from Gorman-Rupp.

- *Sludge Farm Water Rights* – Montana Bureau of Mines drilled some test wells several years ago at the Sludge Farm. The District decided to develop two of the wells for irrigation, but water rights were needed before this could be done. The DNRC has granted water rights and the District has until December 31, 2020 to get the center pivot irrigation project operational.
- *Ramsfield Water Rights* – the District is in the process of securing the water rights for the two new wells.
- *Sludge Handling* – Scott Murphy, who has been involved with the district for 10 years, discussed sludge storage issues. He said that in 2005 he was involved with updating the Wastewater PER for the old plant. The focus was mostly on discharging a higher quality effluent into the lake due to changing regulations and less about sludge handling. There have been a few minor upgrades for sludge handling. Class B sludge is produced from aerobic digestion and is then hauled and injected. Because the District injects its sludge and owns the land to do that, there is no need to produce costly Class A sludge.

There was discussion about the farm and the processes. The District gets one third of the profit from the farmer that leases and farms the land. Crops are rotated to allow for injecting on the fallow land. Adding irrigation will increase the revenue greatly and will pay for itself.

Murphy went on discuss the sludge digestion and storage capacity needs of the District. The current sewer PER deals more with collection not updated sludge storage.

Cahill had questions about project funding and whether monies were put toward projects every budget season. He would like to see a line item for projects and inventory in every budget season. There was discussion about the time lines for funding and dependence on the legislative session. It was estimated that, to get funding for the PER, apply for grants and then be awarded would take approximately 5 years.

Windsor Court, Lot 7 Appraisal – This lot was purchased to give access to the future tank site. The District is trying to sell the portion of the lot with no easement, but the appraisal required to sell is still not in place despite being ordered in May. Price agreed that the appraisers are not readily available right now, but he could get a co-worker to do a strategic marketing analyses.

NEW BUSINESS

Director Changes – Helberg stated that Bob Hand met with the employment committee to interview for an operator position and was hired. President Hand verbally submitted his resignation as from the Board as of the end of the September meeting. Keenan made a motion to accept the resignation, Helberg seconded and it was unanimously

RESOLVED for President Hand to resign from the Board at the conclusion of the meeting.

Director Keenan then agreed to preside as Board President until the end of 2016. Committee reassignments were tabled until next meeting. Keenan was asked to sign the County Budget Reports and the NetDMR Subscriber Agreement.

Board Oath of Office – Newly elected Directors Price, Phelps and Cahill were given an Oath of Office form to complete and notarize for the County in order to assume a position on the board.

Ramsfield Water Project SRF Loan A Forgiveness – No Board action necessary for this item. Just a record that \$500,000 debt was changed into a grant with this SRF Loan A forgiveness.

Dory Gray Septic – Gray lives at 209 Lake Hills and in spite of being a part of the Lake Hills Sewer SID, did not hook into the District's sewer. Attempts to make her connect have been futile and Gray insists that past management grandfathered her property to keep her septic tank. In 2011 Vickie corresponded with her to let her know the Board agreed to waive the hookup fee and help with connection costs to help convince her to hookup, but she still refused. Gray's niece recently contacted the District to get the facts and a copy of the 2011 correspondence was emailed to her. The Board agreed to honor the offer but said she should get connected abandon the septic system.

COMMITTEE REPORTS

Annexation, Main Extensions & Construction – Cahill and Helberg - No committee meeting

District Investments – Hand and Price – No committee meeting

Employee Insurance Compensation & Certification – Helberg and Keenan

- *New Employees* – As discussed in New Business, Bob Hand has been hired to begin work in October. Dane Sullivan, interviewed previously, was also hired by the committee and will start work on September 16, 2015.
- *Employee Handbook* – New job descriptions are in the works to add to the Employee Handbook. Preliminary drafts were distributed at Helberg's request.

Rate Structure / Budget – Helberg and Price

- *2016 Budgets and Rates* – The addition of two new employees will require changes to the budget. The Budget Committee will need to meet to approve.
- *Re-Use Rates* – No meeting

Rules & Regulations – Hand and Price

- No further action to be taken at the meeting. The committee will meet and make a recommendation.

Safety – Hand and Price

- Weekly safety meetings were held in August and the first of September.

Farm Land – Helberg and Loudermilk

- Helberg requested Julie contact Dan Broston to see if he has figured out his plans.

Communications

No communications were presented.

President Hand called for a motion to adjourn the public meeting and thanked the Board. Cahill motioned, Price seconded and it was unanimously

RESOLVED that the public meeting be adjourned at 8:30 p.m.

Secretary, Vickie D. Hemphill

President, Robert Keenan